



CABINET FOR ECONOMIC DEVELOPMENT

Matthew G. Bevin
Governor

Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601
ThinkKentucky.com

Terry R. Gill, Jr.
Secretary

Vivek K. Sarin
Executive Officer

MEMORANDUM

TO: KEDFA Members

FROM: Katie Smith, Commissioner
Department for Financial Services

DATE: September 21, 2018

SUBJECT: KEDFA Board Meeting

The Kentucky Economic Development Finance Authority's next regular board meeting is scheduled for **Thursday, September 27, 2018** at the Cabinet for Economic Development, Old Capitol Annex, 300 West Broadway in Frankfort. The meeting will convene at 10:00 a.m. (EDT) in the Board of Directors Conference Room.

If you have any questions, please feel free to contact our office at any time.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

Old Capitol Annex
Board of Directors Conference Room
300 West Broadway
Frankfort, Kentucky

AGENDA

September 27, 2018

Call to Order

Notification of Press

Roll Call

Minutes

Minutes from August 30, 2018 Regular Meeting

Minutes from August 30, 2018 Executive Session

Reports

Approved/Undisbursed Report

Kylee Palmer

Financial Statements and Monitoring Reports

Krista Harrod

KBI Project (Modification)

Michelle Elder

Nucor Steel Gallatin LLC

Gallatin

KBI Project (Amendment)

Bobby Aldridge

Lyons Magnus East, LLC

Boone

KEIA Projects (Extension)

Bobby Aldridge

LINAK U.S. Inc.

Jefferson

Master Engineering, Inc. dba Piccola Manufacturing

Bullitt

Road ID, Inc.

Kenton

Heaven Hill Distilleries, Inc.

Jefferson

Creform Corporation

Scott

FedEx Ground Package System, Inc.

Boone

Logan Aluminum Inc.

Logan

Lux Row Distillers LLC

Nelson

Premier Packaging, LLC

Jefferson

Strong Tower Construction LLC dba Koch Corporation

Jefferson

KEIA Project

Buffalo Trace Distillery, Inc.

Franklin

Anna Beth Bobbitt / Debbie Phillips

Steel Technologies LLC

Gallatin

Lindsey Ransdell / Michelle Elder

KBI Projects (Preliminary)

IJW Whiskey Company, LLC	Jefferson	Lindsey Ransdell / Michelle Elder
UPS Supply Chain Solutions, Inc.	Jefferson	Lindsey Ransdell / Michelle Elder
United Systems & Software, Inc.	Marshall	Anna Beth Bobbitt / Michelle Elder
Tiffany and Company Jewelers, Inc.	Fayette	Anna Beth Bobbitt / Debbie Phillips
Tier 3 Technologies, LLC	Jefferson	Lauren Osborne / Debbie Phillips
Moon Eyed Industrial Company, LLC	Marion	Taylor Sears / Kate Greenwell

KBI Projects (Extension)

Michelle Elder

Cannon Automotive Solutions - Bowling Green, Inc.	Warren
Creform Corporation	Scott
FreshChoice Complete Diet Products, LLC	Gallatin
PARx Solutions, Inc.	Jefferson
WPT Corporation	Ohio
Air Hydro Power, Inc.	Jefferson
Innovative Mattress Solutions, LLC	Fayette
Senture, LLC	Jackson

KBI Projects (Final)

Debbie Phillips

Carl Zeiss Vision Inc.	Boone
Diversified Consultants, Inc.	Jefferson
Brown-Forman Corporation	Jefferson
Bendix Spicer Foundation Brake, LLC	Warren
Karbec LLC	Hardin
KOWA Kentucky, Inc.	Knox
Peristyle, LLC	Woodford
V-Soft Consulting Group, Inc.	Jefferson

KRA Project (Final)

Michelle Elder

Saputo Dairy Foods (USA), LLC	Calloway
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KJRA Project (Final)

Michelle Elder

Haier US Appliances Solutions, Inc. dba GE Appliances	Jefferson
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KSBTC

Tim Back

Callaway Pest Control, Inc.	Woodford
Commonwealth Eye Clinic, Inc.	Fayette
Cuddle Clones LLC	Jefferson
D. Thomas Compton, P.S.C.	Warren
Hatfield Media LLC	Jefferson
Laise Packaging, LLC	Jefferson
Lance S. Ferguson, M.D., P.S.C.	Fayette
Laswell Electric Company, Inc.	Jefferson
Midsouth Rentals, LLC	Daviess

Owensboro RV Incorporated
Please & Thank You, LLC
Polaris of Paducah, Inc.

Daviess
Jefferson
McCracken

Other Business

Closed Session

Adjournment

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

BOARD MEETING

August 30, 2018

MINUTES

Call to Order

The Kentucky Economic Development Finance Authority (KEDFA) convened at 10:02 a.m. EDT on August 30, 2018, at the Cabinet for Economic Development, Old Capitol Annex, Board of Directors Conference Room, 300 West Broadway in Frankfort, Kentucky.

Notification of Press

Jean R. Hale, Chairman, received verification that the media had been notified of the KEDFA regular monthly board meeting.

Roll Call

Members Present: Jean Hale, Don Goodin, Melinda Hill, proxy for Secretary William Landrum, Tucker Ballinger, Joe Kelly and Chad Miller

Staff Present: Tim Back, Anna Beth Bobbitt, Sarah Butler, Michelle Elder, Kate Greenwell, Krista Harrod, Craig Kelly, Brandon Mattingly, Lauren Osborne, Kylee Palmer, Corky Peek, Debbie Phillips, Lindsey Ransdell, Taylor Sears, Katie Smith, Teresa Spreitzer and Lucas Witt

Others Present: Michael Kalinyak, Hurt, Deckard & May; Mike Herrington, Stites & Harbison; Jamie Brodsky, Stoll Keenon Ogden; Chris Pullem and Katherine Utsinger, City of Ashland; Mayor Greg Meyers and Steve Lehman, City of Highland Heights; Casey Bolton, Commonwealth Economics; Casey Dunn, Denham-Blythe Company; Brad Thomas, East Kentucky Power; Dennis Griffin, Franklin-Simpson Industrial Authority; Jeff Hodges, Gray Construction; Rob Hunden and Michael Montgomery, Hunden Strategic Partners; Jim Parsons, Keating, Meuthing & Klekamp; Billy Aldridge, Kentucky Finance & Administration Cabinet, Office of Financial Management; Barry Lendrum, Paladin; and Matt Zoellner, Scott, Murphy & Daniel

Approval of Minutes

Chairman Hale entertained a motion to approve the minutes from the July 26, 2018 regular KEDFA board meeting and August 16, 2018 special KEDFA board meeting.

Joe Kelly moved to approve the minutes, as presented; Melinda Hill seconded the motion. Motion passed; unanimous.

Approved/Undisbursed Report

Chairman Hale called on Kylee Palmer to review the approved/undisbursed report. After review, the Authority accepted the report as presented.

Financial Statements and Monitoring Reports

Chairman Hale called on Krista Harrod to review the financial statements as of July 31, 2018 and the August 2018 monitoring reports. After review, the Authority accepted the statements and reports as presented.

Tax Increment Financing (TIF) Project (Preliminary)

Chairman Hale called on Ms. Palmer to present a TIF project for preliminary approval to the Authority.

Administration Department of the City of Highland Heights, Kentucky Northern Kentucky University Campus Gateway Campbell County

Kylee Palmer

Ms. Palmer stated Northern Kentucky University Campus Gateway is a Mixed-Use Redevelopment in Blighted Urban Areas TIF project. The project consists of a 19 acre gateway to the campus with a focus on connecting the campus with the Highland Heights community. The development is expected to include a 65,000 sf medical office building, 30,000 sf retail and restaurant space, 225,000 sf multi-family residential space, 115 room hotel with meeting space, public infrastructure improvements, garage and surface lot parking, transit, bike and pedestrian connectivity as well as greenspace and public amenities. The construction is estimated to take place over the next 3 years.

The public infrastructure costs total approximately \$23,100,000 and include land preparation, sewers/storm drainage, curbs, sidewalks, promenades and pedways, roads, street lighting, provision of utilities, public space or parks, parking, transportation facilities, fountains, benches and sculptures. The applicant, Administration Department of the City of Highland Heights, Kentucky, estimates the project will support an estimated 1,331 jobs during construction, as well as 360 direct jobs and hundreds of additional indirect and induced jobs after the project is complete. The project is estimated to generate \$1,900,000,000 in economic impact over a 20 year period.

By granting preliminary approval, KEDFA would enable staff to begin working with the Office of State Budget Director and the Finance and Administration Cabinet to create criteria for which an independent consultant would review the project's feasibility including financing, appropriateness for the use of the TIF program and potential increments and whether the project represents a net positive impact for the Commonwealth.

Staff recommended preliminary approval of the TIF project.

Ms. Palmer introduced the Mayor of the City of Highland Heights, Greg Meyers, as well as Steve Lehman, Jim Parsons and Casey Bolton and invited them to address the board regarding the project.

After discussion, Tucker Ballinger moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

Kentucky Enterprise Initiative Act (KEIA) Projects (Extension)

Chairman Hale called on Craig Kelly to present the KEIA project extension requests to the Authority.

Mr. Kelly stated four companies requested additional time to complete the projects and asked that all four be presented as one motion.

Company	County	Extension
AAK USA K2, LLC	Jefferson	3 Month
Greif Packaging, LLC	Jefferson	3 Month
Wilderness Trace Distillery LLC	Boyle	6 Month
Distilled Spirits Epicenter, LLC	Jefferson	12 Month

Staff recommended approval of the KEIA extension requests.

Chad Miller moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed; unanimous.

KEIA Projects

Chairman Hale called on staff to present the KEIA projects to the Authority.

Heaven Hill Distilleries, Inc. Nelson County

**Anna Beth Bobbitt
Debbie Phillips**

Anna Beth Bobbitt stated Heaven Hill Distilleries, Inc. is the nation's second largest family-owned producer and marketer of distilled spirits. The company is considering the expansion of its barrel storage and aging operations to meet increasing demands.

Debbie Phillips stated the project investment is \$5,914,724 of which \$3,253,098 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$150,000 for construction materials and building fixtures.

Don Goodin moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed; unanimous.

Jim Beam Brands Co. Bullitt County

**Anna Beth Bobbitt
Debbie Phillips**

Ms. Bobbitt stated Jim Beam Brands Co. has been producing bourbon for more than 200 years in Kentucky and is the global leader in premium spirits. The company is considering increasing its facility in Clermont by creating new distillation capacity and building new capabilities in the bourbon-making process.

Ms. Phillips stated the project investment is \$101,700,000 of which \$46,500,000 qualifies as KEIA eligible costs. The approved recovery amount is \$1,000,000 for construction materials and building fixtures and \$200,000 for research and development and/or electronic processing equipment.

Staff recommended the KEIA approved recovery amount of \$1,200,000.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Goodin seconded the motion. Motion passed; unanimous.

Jim Beam Brands Co. Nelson County

**Anna Beth Bobbitt
Debbie Phillips**

Ms. Bobbitt stated Jim Beam Brands Co. has been producing bourbon for more than 200 years in Kentucky and is the global leader in premium spirits. The company is considering steadily increasing capacity over the next five years at its largest distillery in Boston to meet customer demand.

Ms. Phillips stated the project investment is \$63,100,000 of which \$17,400,000 qualifies as KEIA eligible costs.

Staff recommended the KEIA approved recovery amount of \$600,000 for construction materials and building fixtures.

Ms. Hill moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

Kentucky Business Investment (KBI) Projects (Preliminary) and KEIA Projects

Chairman Hale called on staff to present the KBI preliminary projects and KEIA projects to the Authority.

Danimer Scientific Kentucky, Inc. Clark County

**Anna Beth Bobbitt
Debbie Phillips**

Ms. Bobbitt stated Danimer Scientific Kentucky, Inc. is a pioneer in creating more sustainable, more natural ways to produce biodegradable and compostable plastic products. The proposed project would include a new facility in Winchester.

Ms. Phillips stated the project investment is \$36,244,167 of which \$10,134,305 qualifies as KBI eligible costs and \$3,350,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 37 with an average hourly wage of \$28.00 including benefits. The state wage assessment participation is 3.0% and the City of Winchester will participate at 1.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,500,000 and the KEIA approved recovery amount of \$150,000 for construction materials and building fixtures and \$25,000 for R&D and/or electronic processing equipment.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

Sister Schubert's Homemade Rolls, Inc. Hart County

**Lindsey Ransdell
Kate Greenewll**

Lindsey Ransdell stated Sister Schubert's Homemade Rolls, Inc. offers the top-selling lineup of dinner yeast rolls in the supermarket frozen section. The company is considering expanding its current bakery as well as installing a new baking line to support future growth.

Kate Greenewll stated the project investment is \$74,000,000 of which \$34,820,000 qualifies as KBI eligible costs and \$13,000,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 134 with an average hourly wage of \$23.00 including benefits. The state wage assessment participation is 3.0% and Hart County will participate at 0.8%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,600,000 and the KEIA approved recovery amount of \$650,000 for construction materials and building fixtures.

Mr. Kelly moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed; unanimous.

Brad Ragan Recycling, Inc. Barren County

**Corky Peek
Michelle Elder**

Corky Peek stated Brad Ragan Recycling, Inc. is a tire remanufacturing/retreading facility that has products for the mining, agricultural and construction industry as well as any other industry that utilizes off-road tires and equipment. The company needs to add capacity to capture new business and is considering constructing and equipping a facility in Glasgow to meet this need.

Michelle Elder stated the project investment is \$6,600,000 of which \$4,400,000 qualifies as KBI eligible costs and \$1,500,000 qualifies as KEIA eligible costs. The highest job target over the term of the agreement is 75 with an average hourly wage of \$19.00 including benefits. The state wage assessment participation is 3.0% and the City of Glasgow will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$500,000 and the KEIA approved recovery amount of \$50,000 for construction materials and building fixtures.

Mr. Goodin moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed; unanimous.

KBI Projects (Preliminary)

Chairman Hale called on staff to present the KBI preliminary projects to the Authority.

Webasto Roof Systems, Inc. Fayette County

**Taylor Sears
Kate Greenwell**

Taylor Sears stated Webasto Roof Systems, Inc. opened its first plant in Kentucky twenty years ago offering a range of sunroofs. The company is considering an expansion of its facility to launch three completely new sunroofs that will further grow its business.

Ms. Greenwell stated the project investment is \$15,200,000 of which \$3,860,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 183 with an average hourly wage of \$26.50 including benefits. The state wage assessment participation is 3.0% and Lexington-Fayette Urban County Government will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The project will include multiple locations within Lexington, Fayette County. Only investment costs incurred at 2200 Innovation Drive will be considered toward calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$2,000,000.

Mr. Ballinger moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

Truck Racks By Rack-it, Inc. Clinton County

**Taylor Sears
Kate Greenwell**

Mr. Sears stated Truck Racks by Rack-it, Inc. opened for business in July 1982 as a manufacturer of steel material racks for pickup trucks, service bodies and flatbeds. The company is considering establishing a facility in Albany to better serve its existing customers in the Midwest and Southern regions.

Ms. Greenwell stated the project investment is \$1,352,075, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 25 with an average hourly wage of \$15.50 including benefits. The state wage assessment participation is 5.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$250,000.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

Prolocity Technology Solutions LLC
Kenton County

Lindsey Ransdell
Michelle Elder

Ms. Ransdell stated Prolocity Technology Solutions LLC is a highly regarded enterprise software consulting practice headquartered in Covington. Due to the tremendous growth Prolocity has experienced over the last couple of years, the company is out of room at its current location. The company is considering a location in Kenton County to expand.

Ms. Elder stated the project investment is \$794,290 of which \$437,145 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 30 with an average hourly wage of \$55.00 including benefits. The state wage assessment participation is 3.0% and the City of Covington will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$200,000.

Mr. Kelly moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed; unanimous.

TGW International, Inc.
Campbell County

Lindsey Ransdell
Michelle Elder

Ms. Ransdell stated TGW International, Inc. is an over 100-year old company that manufactures industrial machine knives and machine blades for the printing, paper, packaging and processing industries. The company is considering relocating its headquarters to the United States and is evaluating its current facility in Wilder for this possible expansion. If this location is chosen, the company will expand and improve the building and parking lots to accommodate new employees and invest in new engineering capabilities.

Ms. Elder stated the project investment is \$1,000,000, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 13 with an average hourly wage of \$30.00 including benefits. The state wage assessment participation is 3.0% and Campbell County will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$200,000.

Mr. Miller moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

Jet.com, Inc.
Bullitt County

Lucas Witt
Michelle Elder

Lucas Witt stated Jet.com, Inc., founded in 2014, is based in New Jersey. The company operates a smart shopping platform that allows its members to shop online from various

retailers. As of September 2016, Jet.com, Inc. operates as a subsidiary of Walmart, Inc. The company is considering expanding its e-commerce operations into the state of Kentucky.

Ms. Elder stated the project investment is \$41,300,000 of which \$21,200,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 400 with an average hourly wage of \$16.25 including benefits. The state wage assessment participation is 3.0% and the City of Shepherdsville will participate at 1.0%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$3,000,000.

After discussion, Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

**Zoeller Company
Jefferson County**

**Lucas Witt
Michelle Elder**

Mr. Witt stated Zoeller Company, a family-owned operation founded in 1939, manufactures a variety of products including the dependable column sump pump that is sold throughout North America. The company is considering an expansion of its existing facility in Louisville to meet customer demand.

Ms. Elder stated the project investment is \$5,500,000 of which \$5,200,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 45 with an average hourly wage of \$27.50 including benefits. The state wage assessment participation is 3.0% and Louisville/Jefferson County Metro Government will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$650,000.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Ballinger seconded the motion. Motion passed; unanimous.

**Joe Leasure & Sons, Inc.
Hopkins County**

**Corky Peek
Michelle Elder**

Mr. Peek stated Joe Leasure & Sons, Inc., founded in 1935, is a machine shop specializing in steel fabrication and CNC technology that serves clients in the Southeast and the Midwest. The company is out of space at its current location and is considering expanding in Madisonville as well as purchasing new fabrication equipment.

Ms. Elder stated the project investment is \$560,000, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 10 with an average hourly wage of \$27.00 including benefits. The state wage assessment participation is 3.0% and the City of Madisonville will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The project will include multiple locations within Madisonville, Hopkins County. Only investment costs incurred at 51 Lunsford Avenue will be considered toward calculating eligible costs. Employees and their respective wages at the locations included in the project definition will be eligible for compliance.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$175,000.

Mr. Kelly moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

**PBR Inc. dba SKAPS Industries
Henderson County**

**Corky Peek
Michelle Elder**

Mr. Peek stated PBR Inc. dba SKAPS Industries produces woven fiberglass rolled products for a variety of industries. The company is considering the purchase of equipment and improvements to its facility in Henderson to allow for additional production capacity and enable the company to grow.

Ms. Elder stated the project investment is \$5,000,000 of which \$1,700,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 20 with an average hourly wage of \$17.00 including benefits. The state wage assessment participation is 3.0% and Henderson County Fiscal Court will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$250,000.

Mr. Ballinger moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed; unanimous.

**Chewy, Inc.
Jefferson County**

**Lauren Osborne
Debbie Phillips**

Lauren Osborne stated Chewy, Inc. is an e-commerce retailer for the pet industry offering a convenient way to shop for pet supplies. The company is considering locating to a facility in Louisville to meet growing demands.

Ms. Phillips stated the project investment is \$7,209,770 of which \$5,029,885 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 300 with an average hourly wage of \$39.00 including benefits. The state wage assessment participation is 1.5% and Louisville/Jefferson County Metro Government will participate at 0.5%.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,250,000.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

**Tractor Supply Company
Simpson County**

**Lauren Osborne
Debbie Phillips**

Ms. Osborne stated Tractor Supply Company, headquartered in Brentwood, Tennessee, is the largest operator of rural lifestyle retail stores in America. The company is considering upgrading its distribution facility in Franklin to meet customer demand.

Ms. Phillips stated the project investment is \$8,500,000 of which \$4,561,604 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 156 with an average hourly wage of \$21.00 including benefits. The state wage assessment participation is 3.0% and the City of Franklin will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$1,800,000.

Ms. Hill moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

Prairie Farms Dairy, Inc.
Pulaski County

Taylor Sears
Debbie Phillips

Mr. Sears stated Prairie Farms Dairy, Inc. is a manufacturer and distributor of fluid milk, orange juice and drinks in several different sizes. The company is considering an expansion of its Somerset facility which would increase capacity and volume to meet product demand.

Ms. Phillips stated the project investment is \$3,649,621, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 10 with an average hourly wage of \$24.00 including benefits. The state wage assessment participation is 5.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$150,000.

Mr. Goodin moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed; unanimous.

MIG Services Inc.
Carter County

Anna Beth Bobbitt
Debbie Phillips

Ms. Bobbitt stated MIG Services Inc. is a subsidiary of McKeown International, Inc. and is the manufacturer of products for the domestic steel industry. The company is considering the rehabilitation of equipment and purchase of new modern equipment for the manufacturing of refractory products, such as Mag Carbon brick, at the Hitchins facility.

Ms. Phillips stated the project investment is \$750,000, all of which qualifies as KBI eligible costs. The highest job target over the term of the agreement is 50 with an average hourly wage of \$13.00 including benefits. The state wage assessment participation is 5.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$310,000.

Chairman Hale moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

Zivo Inc. dba Zelios
Fayette County

Taylor Sears
Debbie Phillips

Mr. Sears stated Zivo Inc. dba Zelios is a manufacturer of natural, hemp derived cannabinoid-rich products. The company is a large-scale extractor of hemp oil. The proposed project would consist of an expansion of its Lexington facility by adding additional equipment.

Ms. Phillips stated the project investment is \$2,100,000 of which \$420,000 qualifies as KBI eligible costs. The highest job target over the term of the agreement is 44 with an average hourly wage of \$25.00 including benefits. The state wage assessment participation is 3.0% and Lexington-Fayette Urban County Government will participate at 1.0%. The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval.

Staff recommended preliminary approval of the KBI negotiated tax incentive amount of \$240,000.

Mr. Goodin moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion. Motion passed; unanimous.

KBI Projects (Extension)

Chairman Hale called on Ms. Elder to present the KBI extension requests to the Authority.

Ms. Elder stated nine companies requested additional time to complete the projects and asked that all nine be presented as one motion.

Company	County	Extension
Bendix Spicer Foundation Brake LLC	Warren	3 Month
Carl Zeiss Vision Inc.	Boone	3 Month
EZ Portable Buildings, Inc.	McCracken	3 Month
V-Soft Consulting Group, Inc.	Jefferson	3 Month
CTI-Clinical Trial Services, Inc.	Kenton	12 Month
Duro Hilex Poly LLC	Boone	12 Month
Prime Tech Manufacturing, LLC	Graves	12 Month
SMC, LLC	Jessamine	12 Month
TMS Automotive, LLC	Warren	12 Month

Staff recommended approval of the KBI extension requests.

Ms. Hill moved to approve the staff recommendation, as presented; Mr. Kelly seconded the motion. Motion passed; unanimous.

KBI Projects (Final)

Chairman Hale called on Ms. Phillips to present the KBI projects for final approval to the Authority.

Ms. Phillips stated seven companies requested KBI final approval, two of which have modifications since preliminary approval. Ms. Phillips asked that all seven be presented as one motion.

No Modifications:

Project Name	County	Type Project
A. O. Smith Corporation	Kenton	Manufacturing
Consolo Services Group, Inc.	Fayette	Service & Technology
Country Boy Brewing, L.L.C.	Scott	Manufacturing
Hollison, LLC	Daviess	Manufacturing
Printograph, Inc. dba Gotprint.com	Boone	Manufacturing

Modifications:

Brown & Brown of Kentucky, Inc.

Adair

Service & Technology

The affiliate, Brown & Brown Inc., has been added to the project. All other aspects of the project remain the same.

Kayser Automotive Systems USA, LP

Fulton

Manufacturing

The company name changed from A. Kayser Automotive Systems USA, LP to Kayser Automotive Systems USA, LP. The total investment and eligible costs increased from \$17,527,000 to \$24,000,000; the square footage increased from 50,000 to 60,000; and the total negotiated incentive amount increased from \$3,000,000 to \$5,000,000. All other aspects of the project remain the same.

Staff recommended approval of the KBI final resolutions and tax incentive agreements and the authorization to execute and deliver the documents.

Mr. Ballinger moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed, unanimous.

Incentive for Energy Independence Act (IEIA) Projects (Extension)

Chairman Hale called on Ms. Palmer to present the IEIA extension requests to the Authority.

Ms. Palmer stated two companies requested an extension to the project and asked that both be presented as one motion.

Company	County	Extension
Lock 14 Hydro Partners, LLC	Lee	12 Month
RCC Big Shoal, LLC	Pike	12 Month

Staff recommended approval of IEIA extension requests.

Mr. Goodin moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed; unanimous.

Kentucky Small Business Tax Credit (KSBTC) Projects

Chairman Hale called on Tim Back to present the KSBTC projects to the Authority.

Mr. Back stated there are seven Kentucky small businesses, from six counties with qualifying tax credits of \$59,500. The seven businesses created 17 jobs and invested \$82,749 in qualifying equipment or technology.

Mr. Back requested the following tax credits be presented as one motion:

Qualified Small Business	County	Beg. Emp.	Elig. Pos.	Average Hourly Wage	Qualifying Equipment or Technology	Tax Credit
Guardian Owl LLC	Jefferson	1	2	\$ 29.76	\$ 7,109	\$ 7,000
Ingenium Solutions, LLC	Jefferson	4	2	\$ 29.00	\$ 19,689	\$ 7,000
Mike Clark Heating, Cooling & Refrigeration Inc.	Bullitt	6	3	\$ 19.33	\$ 13,110	\$ 10,500
Motus Freight, LLC	Campbell	4	4	\$ 21.23	\$ 14,632	\$ 14,000
Pleasant Meadow II, LLC	Franklin	0	4	\$ 11.44	\$ 14,198	\$ 14,000
Prosper Media Group, Inc.	Fayette	1	1	\$ 14.00	\$ 7,561	\$ 3,500
Service Specialties, LLC	Clark	9	1	\$ 18.00	\$ 6,450	\$ 3,500

Staff recommended approval of the tax credits.

Mr. Goodin moved to approve the staff recommendation, as presented; Ms. Hill seconded the motion. Motion passed; unanimous.

Executive Session

Pursuant to KRS Section 61.810 (1) (G), Chairman Hale entertained a motion to enter into executive session to discuss a specific business proposal, the open discussion of which would jeopardize the siting, retention, expansion or upgrade of the business.

Ms. Hill moved to enter into executive session; Mr. Goodin seconded the motion. Motion passed; unanimous.

The board entered into executive session at 10:57 a.m.

Regular Session

Chairman Hale entertained a motion to return to regular session.

Ms. Hill moved to return to regular session; Mr. Ballinger seconded the motion. Motion passed; unanimous.

The board returned to regular session 11:19 a.m.

Adjournment

There being no further business, Chairman Hale entertained a motion to adjourn.

Mr. Ballinger moved to adjourn the August KEDFA board meeting; Ms. Hill seconded the motion. Motion passed; unanimous.

The meeting adjourned at 11:19 a.m.

PRESIDING OFFICER:



Jean R. Hale, Chairman

KEDFA APPROVED AND NOT DISBURSED

8/31/2018

Approved and Undisbursed KEDFA Projects

Applicant	Form #	County	Date Approved	Commitment Expires	Project Amount
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KEDFA LOANS

None

KEDFA GRANTS

Louisville/Jefferson County Metro Government (Louisville Regional Airlift Development, Inc.)	21730	Jefferson	Jul-17	Jan-20	\$1,330,000
Louisville/Jefferson County Metro Government (Res-Care, Inc.)	21990	Jefferson	Jan-18	Dec-22	\$500,000

SMALL BUSINESS LOANS

None

TOTAL APPROVED AND UNDISBURSED KEDFA PROJECT(S)**\$1,830,000****Approved and Partially Disbursed KEDFA Projects**

Applicant	Form #	County	Date Approved	Closing Date	Project Amount	Disbursed to Date	Remaining Balance
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KEDFA GRANTS

Louisville/Jefferson County Metro Government (Louisville Waterfront Park)	21597	Jefferson	Apr-17	Sep-18	\$376,073	(\$373,024)	\$3,049
Louisville/Jefferson County Metro Government (Restaurant Supply Chain Solutions)	21636	Jefferson	May-17	Jun-20	\$500,000	(\$250,000)	\$250,000

TOTAL APPROVED AND PARTIALLY DISBURSED KEDFA PROJECT(S)**\$253,049****TOTAL KEDFA APPROVED AND NOT DISBURSED****\$2,083,049**

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

STATEMENT OF NET POSITION

8/31/2018

	FUND A	BOND FUND	Small Bus. Loan Pool	KEDFA 8/31/18	OOE 8/31/18	COMBINED 8/31/18
<u>ASSETS</u>						
Cash & Accounts Receivable						
Operating Account	107,169.17	0.00	0.00	107,169.17	0.00	107,169.17
Cash	2,127,835.60	16,446,249.96	401,523.46	18,975,609.02	0.00	18,975,609.02
High Tech Construction Pool	0.00	0.00	0.00	0.00	137,500.00	137,500.00
High Tech Investment Pool	0.00	0.00	0.00	0.00	2,908,921.19	2,908,921.19
High Tech LGEDF Pool	0.00	0.00	0.00	0.00	4,043.88	4,043.88
Investment Account	0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	0.00	0.00	0.00	0.00	0.00
Intergovernment Receivable	2,208,048.79	0.00	0.00	2,208,048.79	250,000.00	2,458,048.79
Total Cash & Accounts Receivable	4,443,053.56	16,446,249.96	401,523.46	21,290,826.98	3,300,465.07	24,591,292.05
Accrued Interest Receivable						
Loans	28,733.10	2,640.87	0.00	31,373.97	0.00	31,373.97
Investments	2,914.22	20,937.10	532.07	24,383.39	0.00	24,383.39
Total Accrued Interest Receivable	31,647.32	23,577.97	532.07	55,757.36	0.00	55,757.36
Notes Receivable						
Loans Receivable	18,632,348.10	1,617,841.97	0.00	20,250,190.07	0.00	20,250,190.07
(Allowance for Doubtful Accounts)	0.00	0.00	0.00	(1,684,722.61)	0.00	(1,684,722.61)
Total Notes Receivable	18,632,348.10	1,617,841.97	0.00	18,565,467.46	0.00	18,565,467.46
TOTAL ASSETS	23,107,048.98	18,087,669.90	402,055.53	39,912,051.80	3,300,465.07	43,212,516.87
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>						
Deferred Outflows Pension				1,561,000.00	0.00	1,561,000.00
Deferred Outflows OPEB				219,000.00	0.00	219,000.00
<u>LIABILITIES</u>						
Accrued Salaries & Compensated Absences				293,609.88	0.00	293,609.88
Accounts Payable				0.00	0.00	0.00
Intergovernment Payable				0.00		0.00
Grants Payable				0.00	0.00	0.00
Pension Liability				10,763,000.00	0.00	10,763,000.00
OPEB Liability				1,670,000.00	0.00	1,670,000.00
TOTAL LIABILITIES				12,726,609.88	0.00	12,726,609.88
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Inflows Pension				282,000.00	0.00	282,000.00
Deferred Inflows OPEB				36,000.00	0.00	36,000.00
<u>NET POSITION</u>						
Beginning Balance				29,060,789.98	3,382,281.07	32,443,071.05
Current Year Undivided Profits				(413,348.06)	(81,816.00)	(495,164.06)
TOTAL NET POSITION				28,647,441.92	3,300,465.07	31,947,906.99

NOTE 1 The Small Business Loan Pool is presented separately only for internal tracking purposes.

NOTE 2 The Office of Entrepreneurship (OOE) operating transactions are no longer under the direction of KEDFA and are not reflected above.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE MONTH ENDING AND FISCAL YTD August 30, 2018

	FUND A	BOND FUND	Small Bus Loan Pool	OOE FUND	FY 2018-2019 YEAR TO DATE	FY 2017-2018 YEAR TO DATE
Operating Revenues - KEDFA						
Interest Income/Loans	15,717.95	3,000.10	0.00	0.00	39,072.87	46,765.52
Interest Income/ Investments	2,914.22	21,937.10	532.07	0.00	49,113.86	18,519.18
Late Fees	0.00	0.00	0.00	0.00	0.00	0.00
Application Fees	33,292.50	0.00	0.00	0.00	61,746.05	53,517.25
Miscellaneous Income	404.07	0.00	0.00	0.00	774.65	298.62
Total Operating Revenues - KEDFA	52,328.74	24,937.20	532.07	0.00	150,707.43	119,100.57
Operating Expenses - KEDFA						
Salaries	84,748.50				211,344.35	212,429.52
Employee benefits	89,921.80				202,399.23	152,875.33
Pension Liability Adjustment	0.00				0.00	0.00
OPEB Liability Adjustment	0.00				0.00	0.00
Other Personnel Costs	0.00				0.00	0.00
Contracted Personal Services	8,354.47				16,364.36	15,978.46
Utilities and Heating Fuels	0.00				0.00	0.00
Rentals	0.00				0.00	0.00
Maintenance and Repairs	0.00				0.00	0.00
Postage and Related Services	0.00				2.30	2.33
Telecommunications	0.00				0.00	0.00
Computer Services	0.00				0.00	0.00
Supplies	0.00				0.00	0.00
Miscellaneous Services	16.00				16.00	16.00
Travel	1,722.88				2,169.25	206.00
Miscellaneous Commodities	0.00				0.00	0.00
Commodities Expense	0.00				0.00	0.00
Bad Debt Expense	0.00				0.00	0.00
Grant Disbursement	0.00				0.00	0.00
Total Operating Expenses - KEDFA	184,763.65	0.00	0.00	0.00	432,295.49	381,507.64
Income (Loss) from Operations - KEDFA	(132,434.91)	24,937.20	532.07	0.00	(281,588.06)	(262,407.07)
Non-Operating Revenues (Expenses) - KEDFA						
Operating Transfer Out - General Fund	0.00				0.00	0.00
Operating Transfer Out - BSSC					0.00	0.00
Operating Transfer Out - Secretary's Office					0.00	0.00
Operating Transfer Out - New Business	0.00				0.00	0.00
Transfer Due from Bonds	0.00				0.00	0.00
Transfer Due from KSBCI	0.00				0.00	0.00
Grants Disbursed	(125,000.00)				(131,760.00)	(256,918.34)
Operating Transfer In - Economic Dev	0.00				0.00	0.00
Unrealized Gains/(Losses) on Investment	0.00				0.00	0.00
Realized Gains/(Losses) on Investment	0.00				0.00	0.00
Total Non-Operating Revenues (Expenses) -	(125,000.00)	0.00	0.00	0.00	(131,760.00)	(256,918.34)
CHANGE IN NET POSITION - KEDFA	(257,434.91)	24,937.20	532.07	0.00	(413,348.06)	(519,325.41)
Operating Revenues (Expenses) - OOE						
Interest Income - Loans				0.00	0.00	63.80
Misc Income				0.00	0.00	0.00
Disbursements: Projects (Note 1)				(81,816.00)	(81,816.00)	(538,017.66)
Repayments received from Projects				0.00	0.00	0.00
Non-Operating Revenues (Expenses) - OOE						0.00
Operating Transfer in - OOE					0.00	0.00
Transfer Due from Bonds					0.00	0.00
Operating Transfer Out - OOE					0.00	0.00
CHANGE IN NET POSITION - OOE	0.00	0.00	0.00	(81,816.00)	(81,816.00)	(537,953.86)
CHANGE IN NET POSITION - COMBINED	(257,434.91)	24,937.20	532.07	(81,816.00)	(495,164.06)	(1,057,279.27)

NOTE 1 Represents disbursements for projects from OOE Funds. (See OOE listings for detail of approved projects)

NOTE 2 Statement does not include interest income for OOE that is swept monthly to OOE's operating account

NOTE 3 The Small Business Loan Pool is presented separately only for internal tracking purposes.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
CASH POSITION STATEMENT
8/31/2018

	<u>8/31/2017</u>	<u>8/31/2018</u>
Fund A Cash Balance	\$2,891,749.44	\$2,127,835.60
Less: Approved/Undisbursed		
Total Unobligated Balance	\$2,891,749.44	\$2,127,835.60
2003 Bond Fund Cash Balance	\$14,337,231.71	\$16,446,249.96
Less: Approved/Undisbursed	(3,881,315.00)	(2,083,049.00)
Total Unobligated Balance	\$10,455,916.71	\$14,363,200.96
Small Business Loan Fund Cash Balance	\$397,460.68	\$401,523.46
Less: Approved/Undisbursed		
Total Unobligated Balance	\$397,460.68	\$401,523.46
Bond Funds to be Provided for Loans		
Less: Approved/Undisbursed		
Total Unobligated Balance	\$0.00	\$0.00
Budget: Cash to be Transferred to Other CED Programs for		\$0.00
CASH AVAILABLE	<u>\$13,745,126.83</u>	<u>\$16,892,560.02</u>
OCI Fund Cash Balance		
High Tech Construction Pool	\$137,500.00	\$137,500.00
Less: Approved/Undisbursed	\$0.00	\$0.00
High Tech Investment Pool	\$2,413,276.21	\$2,908,921.19
Less: Approved/Undisbursed	(\$1,378,350.00)	(\$661,218.00)
LGEDF Pool	\$4,043.89	\$4,043.88
Less: Approved/Undisbursed	\$0.00	\$0.00
Bond Funds to be Provided for Approved Projects	\$1,251,365.33	\$250,000.00
Bond Funds Available for Projects	\$0.00	
Total Unobligated Balance	\$2,427,835.43	\$2,639,247.07
TOTAL ALL FUNDS	<u>\$16,172,962.26</u>	<u>\$19,531,807.09</u>

**Kentucky Enterprise Initiative Act (KEIA) Projects
Fiscal 2018**

KEDFA Meeting date	9/27/2018
Total Projects Approved Fiscal Year-to-Date	9
Number of Proposed Projects for Current Month	2

Construction Materials and Building Fixtures

Fiscal Year Cap	\$20,000,000
Approved Fiscal Year-to-Date	\$2,795,000
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$17,205,000
Proposed Approval for Current Month	<u>\$590,000</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$16,615,000</u></u>

Research & Development and Electronic Processing Equipment, Flight Simulation Equipment

Fiscal Year Cap	\$5,000,000
Approved Fiscal Year-to-Date	\$225,000
Committed Amount	<u>\$0</u>
Balance Available for Current Month	\$4,775,000
Proposed Approval for Current Month	<u>\$0</u>
Balance Available for Remainder of Fiscal Year	<u><u>\$4,775,000</u></u>

KBI Summary

Updated September 19, 2018

Fiscal Year End Reporting

Year	Number of Projects	Jobs			Wages		
		Jobs Reported	Job Target	% Achieved	Average Wage Reported	Wage Target	% Achieved
2010	1	40	51	78%	\$11.42	\$11.00	104%
2011	5	269	257	105%	\$35.00	\$28.90	121%
2012	18	1,264	1,154	110%	\$25.30	\$23.23	109%
2013	58	5,882	5,395	109%	\$24.88	\$23.35	107%
2014	94	10,019	9,552	105%	\$24.87	\$22.99	108%
2015	139	14,303	12,842	111%	\$25.33	\$22.30	114%
2016	187	20,813	18,045	115%	\$24.90	\$21.61	115%
2017	184	19,113	15,461	124%	\$25.71	\$21.34	120%

Annual Maximums and Incentives Claimed

Year	Approved Annual Maximum	Earned Annual Maximum	Incentives Claimed*	Utilization Rate
2010-2012**	\$5,182,833	\$4,914,663	\$2,104,094	43%
2013	\$15,799,451	\$14,088,639	\$6,601,085	47%
2014	\$27,770,169	\$24,112,127	\$13,131,631	54%
2015	\$46,169,440	\$40,389,848	\$18,084,965	45%
2016	\$40,500,648	\$35,834,783	\$19,923,814	56%
2017	\$40,358,767	\$34,184,353	N/A	N/A
Grand Total	\$175,781,307	\$153,524,412	\$59,845,588	39%

- The Commonwealth provided \$2,875 of incentives per new job reported based on total actual incentives claimed to date and actual jobs reported in 2016.
- Based on actual jobs and wages reported in 2016 by companies approved to claim incentives, the estimated payroll for new, full-time Kentucky resident jobs is approximately \$1 billion. This equated to \$18.01 for every \$1 of claimed incentives.

***Notes on incentives claimed:** Data is based on information provided by the Kentucky Department of Revenue. Total incentives claimed represents the total of income tax credits and wage assessments claimed through December 31, 2017.

****Due to taxpayer confidentiality, years 2010-2012 were combined.**

Project Update Report

September 2018

<u>Project</u>	<u>County</u>	<u>Approval Date</u>	<u>Exit Date</u>	<u>Program</u>
Trend Offset Printing Services	Boone	9/29/2016	08/30/2018	KBI
Company withdrew from KBI Program per email dated 7/31/2018.				
A. Raymond Tinnerman Auto	Fleming	03/31/2016	08/30/2018	KBI
Company withdrew from the KBI Program per email dated 8/30/2018.				
Intelligrated Systems, Inc.	Boyle	08/28/2014	08/28/2018	KBI
Company withdrew from the KBI Program per email dated 8/28/2018.				

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - MODIFICATION**

Date: September 27, 2018

Preliminary Approval: May 25, 2017

Approved Company: Nucor Steel Gallatin LLC

City: Ghent

County: Gallatin

Activity: Manufacturing

Resolution #: KBI-ID-17-21528

Bus. Dev. Contact: L. Ransdell

OFS Staff: M. Elder

Project Description: Nucor Steel Gallatin LLC, previously Gallatin Steel Company, is located on the Ohio River in Ghent, KY. The flat-rolled products mills has an annual capacity of approximately 1.8 million tons. Nucor is considering expanding its operations by adding pickling and galvanizing, a second melt shop and a second casting line doubling the capacity of the mill.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$820,000,000	\$820,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	35	\$45.00	
1	51	\$45.00	\$500,000
2	95	\$45.00	\$500,000
3	115	\$45.00	\$500,000
4	120	\$45.00	\$500,000
5	120	\$45.00	\$500,000
6	120	\$45.00	\$500,000
7	120	\$45.00	\$500,000
8	120	\$45.00	\$500,000
9	120	\$45.00	\$500,000
10	120	\$45.00	\$500,000
11			
12			
13			
14			
15			

Enhanced

Base hourly wage: \$9.06

Total hourly compensation: \$10.42

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$5,000,000

Special Conditions:


Maintain Base Employment: 303

Modifications since preliminary approval? Yes

The investment and eligible costs increased from \$175,600,000 to \$820,000,000. The job targets increased from 75 to 120. The average hourly wage target decreased from \$46.00 to \$45.00. The Total Negotiated Incentive Amount increased from \$4,000,000 to \$5,000,000.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director 
Compliance Division

DATE: September 27, 2018

SUBJECT: KBI Amendment
Lyons Magnus East, LLC (Boone County)
Project # 19402

Lyons Magnus East, Inc. amended its Articles of Organization to convert to a LLC. The company is requesting the Tax Incentive Agreement dated April 28, 2016 be amended for both the changes in company name and business structure.

Staff recommends approval.

MEMORANDUM

TO: KEDFA Board Members

FROM: Robert Aldridge, Assistant Director
Compliance Division 

DATE: September 27, 2018

SUBJECT: KEIA Extensions

The following companies have requested additional time to complete its project:

Company	County	Extension
LINAK U.S. Inc.	Jefferson	2 Months
Master Engineering, Inc. dba Piccola Manufacturing	Bullitt	2 Months
Road ID, Inc.	Kenton	2 Months
Heaven Hill Distilleries, Inc.	Jefferson	3 Months
Creform Corporation	Scott	6 Months
FedEx Ground Package System, Inc.	Boone	6 Months
Logan Aluminum Inc.	Logan	9 Months
Lux Row Distillers LLC	Nelson	12 Months
Premier Packaging, LLC	Jefferson	12 Months
Strong Tower Construction LLC dba Koch Corporation	Jefferson	12 Months

Staff recommends approval.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: September 27, 2018
Approved Company: Buffalo Trace Distillery, Inc.
City: Frankfort **County:** Franklin
Activity: Manufacturing **Resolution #:** KEIA-19-22246
Bus. Dev. Contact: A. Bobbitt **DFS Staff:** D. Phillips

Project Description: Buffalo Trace Distillery, Inc. has been making bourbon whiskey for more than 200 years. The project would include the expansion of its barrel storage warehouses in order to keep up with increased demand.

Facility Details: Expanding existing operations

Anticipated Project Investment

Land
Building Construction
Electronic Processing Equipment
Research & Development Equipment
Other Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$5,500,000	\$12,750,000
\$0	\$0
\$0	\$0
\$0	\$3,250,000
\$0	\$0
\$5,500,000	\$16,000,000

Ownership (20% or more):

Sazerac Distillers, LLC Metairie, LA

Other State Participation:

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Feb 23, 2017	KEIA	Approve-Final	\$250,000

Unemployment Rate:

County: 4.4%

Kentucky: 4.9%

Existing Presence in Kentucky:

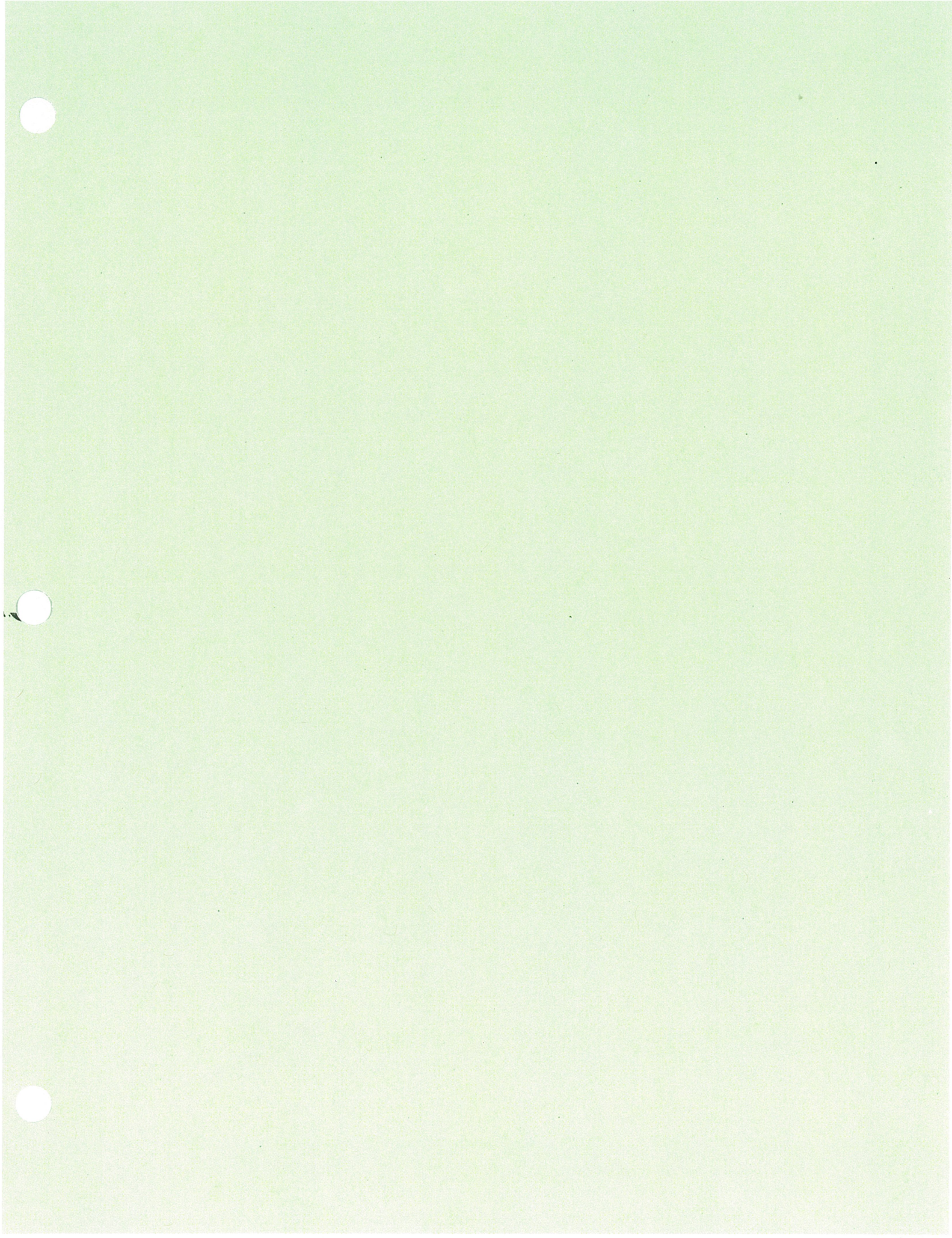
Daviess, Franklin, Jefferson, and Nelson counties

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$250,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$250,000



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KEIA REPORT**

Date: September 27, 2018
Approved Company: Steel Technologies LLC
City: Ghent
Activity: Manufacturing
Bus. Dev. Contact: L. Ransdell

County: Gallatin
Resolution #: KEIA-19-22247
DFS Staff: M. Elder

Project Description: Steel Technologies LLC (Steel Tech), founded in 1971, supports a broad range of industry segments throughout North America. The company currently operates 24 facilities located throughout the United States, Canada and Mexico. Steel Tech is considering expanding its Ghent location in order to process galvanized steel. The proposed project is to construct a new building as well as the acquisition and installation of machinery and equipment.

Facility Details: Expanding existing operations

Anticipated Project Investment

Land
Building Construction
Electronic Processing Equipment
Research & Development Equipment
Flight Simulation Equipment
Other Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$5,785,000	\$8,900,000
\$0	\$0
\$0	\$0
\$0	\$0
\$0	\$5,500,000
\$0	\$0
\$5,785,000	\$14,400,000

Ownership (20% or more):

NuMit LLC Louisville, KY

Other State Participation: None

Unemployment Rate:

County: 4.6%

Kentucky: 4.9%

Existing Presence in Kentucky:

Gallatin, Henry and Jefferson Counties

Approved Recovery Amount:

Construction Materials and Building Fixtures: \$340,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$340,000

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: September 27, 2018
Approved Company: IJW Whiskey Company, LLC
City: Louisville **County:** Jefferson
Activity: Manufacturing **Prelim Resolution #:** KBI-I-18-22119
Bus. Dev. Contact: L. Ransdell **DFS Staff:** M. Elder

Project Description: IJW Whiskey Company, LLC is considering the purchase of property for its world headquarters. The company hopes to develop office space and potentially create a micro-distillery to expand its involvement in the bourbon industry.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs

TOTAL

Eligible Costs	Total Investment
\$3,000,000	\$3,000,000
\$450,000	\$450,000
\$200,000	\$300,000
\$0	\$0
\$3,650,000	\$3,750,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	10	\$25.00	
1	10	\$25.00	\$35,000
2	10	\$25.00	\$35,000
3	10	\$25.00	\$35,000
4	10	\$25.00	\$35,000
5	10	\$25.00	\$35,000
6			
7			
8			
9			
10			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$175,000

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):
IJW LLC Delaware

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:
State: 3.0%
Local: 1.0% Louisville/Jefferson County Metro Government

Unemployment Rate:
County: 4.7% Kentucky: 4.9%

Existing Presence in Kentucky: None

Special Conditions: None

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: September 27, 2018
Approved Company: UPS Supply Chain Solutions, Inc.
City: Louisville **County:** Jefferson
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-18-22245
Bus. Dev. Contact: L. Ransdell **DFS Staff:** M. Elder

Project Description: UPS Supply Chain Solutions, Inc., headquartered in Georgia, serves more than 200 counties and territories worldwide and operates the largest franchise shipping store. The company is considering expanding its location in Louisville in order to meet customer demand.

Facility Details: Expanding existing operations

Anticipated Project Investment - Leased

	Eligible Costs	Total Investment
Rent	\$1,280,000	\$2,560,000
Building/Improvements	\$97,944	\$97,944
Equipment	\$1,186,225	\$1,186,225
Other Start-up Costs	\$0	\$0
TOTAL	\$2,564,169	\$3,844,169

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	135	\$22.00	
1	135	\$22.00	\$135,000
2	135	\$22.00	\$135,000
3	135	\$22.00	\$135,000
4	135	\$22.00	\$135,000
5	135	\$22.00	\$135,000
6	135	\$22.00	\$135,000
7	135	\$22.00	\$135,000
8	135	\$22.00	\$135,000
9	135	\$22.00	\$135,000
10	135	\$22.00	\$135,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,350,000

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):

United Parcel Service Inc., DE Atlanta, GA

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 0.75%

Local: 0.25% Louisville-Jefferson Metro Government

Unemployment Rate:

County: 4.7%

Kentucky: 4.9%

Existing Presence in Kentucky:

Boone, Bullitt, Fayette, Hardin; and Jefferson Counties

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 521 full-time, Kentucky resident employees as of the application date.

The company will be required to maintain 90% of the total statewide full-time, Kentucky resident employees at all company locations, excluding the site of the project, as of the date of preliminary approval.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**KBI REPORT - PRELIMINARY APPROVAL**

Date: September 27, 2018
Approved Company: United Systems & Software, Inc.
City: Benton **County:** Marshall
Activity: Service & Technology **Prelim Resolution #:** KBI-I-18-22225
Bus. Dev. Contact: C. Peek **DFS Staff:** M. Elder

Project Description: United Systems & Software, Inc. is a technical services firm that specializes in software development and information technology for utilities and local governments. The company is developing new product offerings and is out of space at its current location and is considering constructing a new facility as well as purchasing new equipment.

Facility Details: Locating in a new facility

Anticipated Project Investment - Owned

Land
Building/Improvements
Equipment
Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$4,200,000	\$4,200,000
\$800,000	\$800,000
\$300,000	\$300,000
\$5,300,000	\$5,300,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$45.00	
1	30	\$45.00	\$100,000
2	40	\$45.00	\$100,000
3	40	\$45.00	\$100,000
4	40	\$45.00	\$100,000
5	40	\$45.00	\$100,000
6	40	\$45.00	\$100,000
7	50	\$45.00	\$100,000
8	50	\$45.00	\$100,000
9	50	\$45.00	\$100,000
10	50	\$45.00	\$100,000
11			
12			
13			
14			
15			

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,000,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:
Base hourly wage: \$9.06
Total hourly compensation: \$10.42

Ownership (20% or more):

Scott Waldrop	Calvert City, KY
Brian Boyd	Paducah, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 5.0%

Unemployment Rate:

County: 5.6%

Kentucky: 4.9%

Existing Presence in Kentucky:

Marshall County

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 35 full-time, Kentucky resident employees as of the application date.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: September 27, 2018
Approved Company: Tiffany and Company Jewelers, Inc.
City: Lexington **County:** Fayette
Activity: Manufacturing **Prelim Resolution #:** KBI-I-18-22249
Bus. Dev. Contact: A. Bobbitt **DFS Staff:** D. Phillips

Project Description: Tiffany, founded in 1837 in New York, operates jewelry and specialty retail stores and manufactures products through its subsidiary corporations. The company operates Tiffany & Co. retail stores and boutiques worldwide and also engages in direct selling through the internet, catalog and business gift operations. The company is proposing to expand its jewelry manufacturing facility to meet customer demand.

Facility Details: Expanding existing operations

Anticipated Project Investment - Owned

Land
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$0	\$0
\$0	\$0
\$500,000	\$500,000
\$0	\$0
\$500,000	\$500,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	130	\$26.00	
1	130	\$26.00	\$50,000
2	130	\$26.00	\$50,000
3	130	\$26.00	\$50,000
4	130	\$26.00	\$50,000
5	130	\$26.00	\$50,000
6	130	\$26.00	\$50,000
7	130	\$26.00	\$50,000
8	130	\$26.00	\$50,000
9	130	\$26.00	\$50,000
10	130	\$26.00	\$50,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$500,000

County Type:
Other

Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Ownership (20% or more):

Publicly Traded

Active State Participation at the project site:

<u>Date</u>	<u>Program</u>	<u>Status/Jobs Required</u>	<u>Amount</u>
Apr 26, 2012	KBI	Monitor/125	\$2,450,000

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0% Lexington-Fayette Urban County Government

Unemployment Rate:

County: 3.8%

Kentucky: 4.9%

Existing Presence in Kentucky:

Fayette County

Special Conditions:

The company will be required to maintain a base employment equal to the greater of the number of full-time, Kentucky resident employees as of the date of preliminary approval or 125 (*base employment number required by previous project*) full-time, Kentucky resident employees.

KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY

KBI REPORT - PRELIMINARY APPROVAL

Date: September 27, 2018
Approved Company: Tier 3 Technologies, LLC
City: Louisville **County:** Jefferson
Activity: Service & Technology **Prelim Resolution #:** KBI-IL-18-22244
Bus. Dev. Contact: L. Osborne **DFS Staff:** D. Phillips

Project Description: Tier 3 Technologies, LLC specializes in optimizing network resources for clients across the world to insure the most effective performance of its software investment over wide area networks. The company is considering an expansion to its current facility to meet customer demand.

Facility Details: Expanding existing operations

Anticipated Project Investment - Leased

Rent
 Building/Improvements
 Equipment
 Other Start-up Costs
TOTAL

Eligible Costs	Total Investment
\$1,102,500	\$2,205,000
\$0	\$0
\$231,200	\$231,200
\$0	\$0
\$1,333,700	\$2,436,200

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	62	\$44.00	
1	62	\$44.00	\$70,000
2	62	\$44.00	\$70,000
3	62	\$44.00	\$70,000
4	62	\$44.00	\$70,000
5	62	\$44.00	\$70,000
6	62	\$44.00	\$70,000
7	62	\$44.00	\$70,000
8	62	\$44.00	\$70,000
9	62	\$44.00	\$70,000
10	62	\$44.00	\$70,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$700,000

County Type:
Other

Statutory Minimum Wage Requirements:
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Ownership (20% or more):

Michael Paynter - Louisville, KY
William Paynter - Louisville, KY

Active State Participation at the project site: None

Requested Wage Assessment / Local Participation:

State: 3.0%

Local: 1.0% - Louisville/Jefferson County Metro Government

Unemployment Rate:

County: 4.7%

Kentucky: 4.9%

Existing Presence in Kentucky:

Jefferson County

Special Conditions:

The company will be required to maintain a base employment equal to the number of full-time, Kentucky resident employees as of the date of preliminary approval. The company reported 8 full-time, Kentucky resident employees as of the application date.

MEMORANDUM

TO: KEDFA Board Members
FROM: Michelle Elder 
Incentive Administration Division
DATE: September 27, 2018
SUBJECT: KBI Extensions

The following companies have previously received KBI preliminary approval and are requesting approval of a time extension:

Company	County	Extension
Cannon Automotive Solutions - Bowling Green, Inc.	Warren	3 Month
Creform Corporation	Scott	6 Month
FreshChoice Complete Diet Products, LLC	Gallatin	6 Month
PARx Solutions, Inc.	Jefferson	6 Month
WPT Corporation	Ohio	6 Month
Air Hydro Power, Inc.	Jefferson	12 Month
Innovative Mattress Solutions, LLC	Fayette	12 Month
Senture, LLC	Jackson	12 Month

Staff recommends approval.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: September 27, 2018
Preliminary Approval: August 25, 2016
Approved Company: Carl Zeiss Vision Inc.
City: Hebron
Activity: Manufacturing
Bus. Dev. Contact: K. Slattery

County: Boone
Final Resolution #: KBI-FL-18-21180
DFS Staff: K. Greenwell

Project Description: "Zeiss" is an internationally leading technology enterprise operating in the optics and optoelectronics industries. The company develops and distributes semiconductor manufacturing equipment, measuring technology, microscopes, medical technology, eyeglass lenses, camera and cine lenses, binoculars and planetarium technology. The project included building an Rx Lab as an integrated and automated supplier of prescription lenses.

Anticipated Project Investment - Leased

Eligible Costs	Total Investment
\$5,800,000	\$10,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	90	\$19.77	
1	90	\$19.77	\$200,000
2	190	\$19.77	\$200,000
3	190	\$19.77	\$200,000
4	190	\$19.77	\$200,000
5	190	\$19.77	\$200,000
6	190	\$19.77	\$200,000
7	190	\$19.77	\$200,000
8	190	\$19.77	\$200,000
9	190	\$19.77	\$200,000
10	190	\$19.77	\$200,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$2,000,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 103

Modifications since preliminary approval? No

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: September 27, 2018
Preliminary Approval: January 26, 2017
Approved Company: Diversified Consultants, Inc.
City: Louisville **County:** Jefferson
Activity: Service & Technology **Final Resolution #:** KBI-FL-18-21480
Bus. Dev. Contact: A. Germond **DFS Staff:** M. Elder

Project Description: Diversified Consultants, Inc., headquartered in Jacksonville, FL, specializes in telecommunication recovery. To support the growth of its organization, Diversified Consultants, Inc. opened a new facility in Louisville, KY.

Anticipated Project Investment - Leased	Eligible Costs	Total Investment
	\$4,150,000	\$6,650,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	25	\$18.00	
1	200	\$18.00	\$100,000
2	300	\$18.00	\$100,000
3	400	\$18.00	\$100,000
4	433	\$18.00	\$100,000
5	433	\$18.00	\$100,000
6	433	\$18.00	\$100,000
7	433	\$18.00	\$100,000
8	433	\$18.00	\$100,000
9	433	\$18.00	\$100,000
10	433	\$18.00	\$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,000,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Special Conditions: None

Modifications since preliminary approval? No



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: September 27, 2018
Preliminary Approval: September 25, 2014
Approved Company: Brown-Forman Corporation
Approved Affiliate(s): Brown-Forman Distillery, Inc.
City: Louisville
Activity: Manufacturing
Bus. Dev. Contact: L. Ransdell

County: Jefferson
Final Resolution #: KBI-F-18-19942
DFS Staff: D. Phillips

Project Description: Brown-Forman Corporation was founded in Kentucky in 1870 and has retained its Louisville headquarters for over 140 years. The Old Forester brand was the company's original brand and America's first bottled bourbon. The project included acquiring, equipping and renovating two historical properties into an operating distillery in Louisville on West Main Street's Whiskey Row to produce the Old Forester brand bourbon as well as a visitor's center.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$18,810,000	\$26,510,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	15	\$28.00	
1	15	\$28.00	\$90,000
2	15	\$28.00	\$90,000
3	15	\$28.00	\$90,000
4	15	\$28.00	\$90,000
5	15	\$28.00	\$90,000
6	15	\$28.00	\$90,000
7	15	\$28.00	\$90,000
8	15	\$28.00	\$90,000
9	15	\$28.00	\$90,000
10	15	\$28.00	\$90,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$900,000

County Type:
Other

Statutory Minimum Wage Requirements:

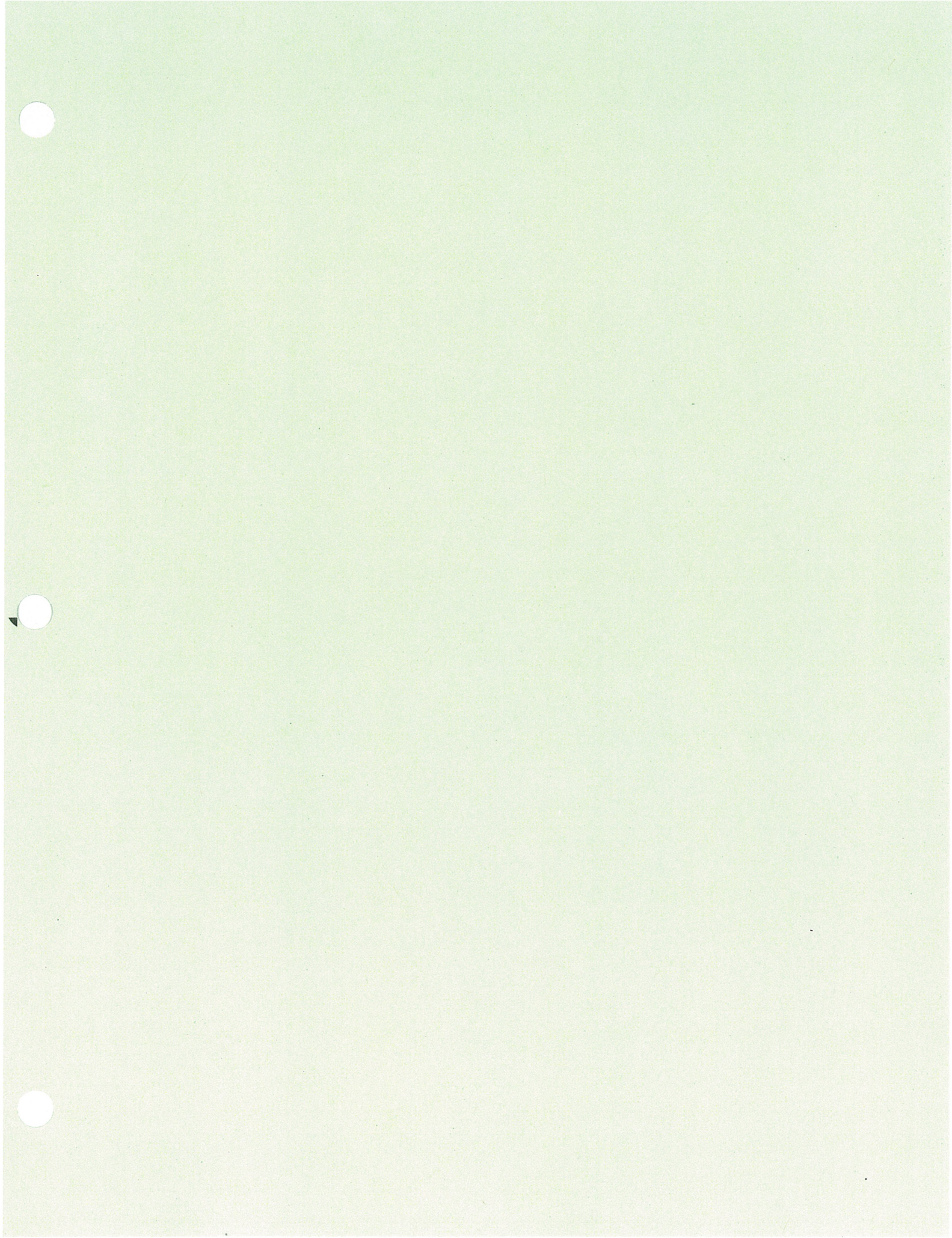
Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Special Conditions:

Maintain Statewide Employment: 940

Modifications since preliminary approval? Yes

The company is requesting to add an affiliate, Brown-Forman Distillery, Inc. All other aspects of the project remain the same.



**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: September 27, 2018
Preliminary Approval: February 27, 2014
Approved Company: Bendix Spicer Foundation Brake, LLC
City: Bowling Green **County:** Warren
Activity: Manufacturing **Final Resolution #:** KBI-FL-18-19852
Bus. Dev. Contact: C. Peek **DFS Staff:** D. Phillips

Project Description: Bendix Spicer Foundation Brake, LLC is a complete source for OEM brake system design, manufacturing, hardware, and support for all foundation brake components and actuation systems. The project included an expansion of its Bowling Green facility by adding a new production line.

Anticipated Project Investment - Leased

Eligible Costs	Total Investment
\$3,076,000	\$5,941,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	143	\$23.00	
1	143	\$23.00	\$100,000
2	143	\$23.00	\$100,000
3	143	\$23.00	\$100,000
4	143	\$23.00	\$100,000
5	143	\$23.00	\$100,000
6	143	\$23.00	\$100,000
7	143	\$23.00	\$100,000
8	143	\$23.00	\$100,000
9	143	\$23.00	\$100,000
10	143	\$23.00	\$100,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,000,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 267

Modifications since preliminary approval? Yes

The eligible cost of the project increased from \$2,356,000 to \$3,076,000, the jobs increased from 43 to 143 and the negotiated tax incentive amount increased from \$500,000 to \$1,000,000. All other aspects of the project remain the same.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: September 27, 2018
Preliminary Approval: May 28, 2015
Approved Company: Karbec LLC
City: Elizabethtown
Activity: Service & Technology
Bus. Dev. Contact: J. Bevington

County: Hardin
Final Resolution #: KBI-F-18-20443
DFS Staff: M. Elder

Project Description: Karbec LLC located a facility in Elizabethtown to design, build and integrate specialized automated machinery for manufacturing companies. The jobs the company created with the project are for work that was previously performed predominantly in other states.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$720,000	\$1,040,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	20	\$36.00	
1	28	\$36.00	\$50,000
2	36	\$36.00	\$50,000
3	40	\$36.00	\$50,000
4	40	\$36.00	\$50,000
5	48	\$36.00	\$50,000
6	48	\$36.00	\$50,000
7	48	\$36.00	\$50,000
8	48	\$36.00	\$50,000
9	48	\$36.00	\$50,000
10	48	\$36.00	\$50,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$500,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 2

Modifications since preliminary approval? Yes

The county has changed from Larue County to Hardin County. The project ownership has changed from leased to owned. All other aspects of the project remain the same.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: September 27, 2018
Preliminary Approval: March 27, 2014
Approved Company: KOWA Kentucky, Inc.
City: Corbin
Activity: Manufacturing
Bus. Dev. Contact: L. Ransdell

County: Knox
Final Resolution #: KBI-F-18-19872
DFS Staff: M. Elder

Project Description: Kowa Kogyo-sho Co., Ltd., in Japan, is a leading provider of hot dip galvanized coating, various surface treatment of metal and metalworking. The company opened its first operation in North America; KOWA Kentucky, Inc. This new facility focuses on surface treatment for automotive suppliers, specifically a highly-advanced process known as electroless nickel plating.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$8,251,400	\$8,251,400

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	16	\$17.00	
1	23	\$17.00	\$40,000
2	30	\$17.00	\$40,000
3	30	\$17.00	\$40,000
4	30	\$17.00	\$40,000
5	30	\$17.00	\$40,000
6	30	\$17.00	\$40,000
7	30	\$17.00	\$40,000
8	30	\$17.00	\$40,000
9	30	\$17.00	\$40,000
10	30	\$17.00	\$40,000
11	30	\$17.00	\$40,000
12	30	\$17.00	\$40,000
13	30	\$17.00	\$40,000
14	30	\$17.00	\$40,000
15	30	\$17.00	\$40,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$600,000

County Type:
Enhanced

Statutory Minimum Wage Requirements:

Base hourly wage: \$9.06
Total hourly compensation: \$10.42

Special Conditions: None

Modifications since preliminary approval? Yes

The company name has changed from Kowa Kosya-sho Co., LTD to KOWA Kentucky, Inc. All other aspects of the project remain the same.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: September 27, 2018

Preliminary Approval: April 24, 2014

Approved Company: Peristyle, LLC

City: Millville

County: Woodford

Activity: Manufacturing

Final Resolution #: KBI-F-18-19891

Bus. Dev. Contact: L. Ransdell

DFS Staff: D. Phillips

Project Description: Peristyle, LLC manufactures distilled spirits, primarily bourbon. The project included the acquisition and renovation of the Old Taylor Distillery, a former bourbon producer in the late 1800's.

Anticipated Project Investment - Owned

Eligible Costs	Total Investment
\$23,380,000	\$36,320,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	53	\$20.00	
1	100	\$20.00	\$200,000
2	100	\$20.00	\$200,000
3	100	\$20.00	\$200,000
4	100	\$20.00	\$200,000
5	100	\$20.00	\$200,000
6	100	\$20.00	\$200,000
7	100	\$20.00	\$200,000
8	100	\$20.00	\$200,000
9	100	\$20.00	\$200,000
10	100	\$20.00	\$200,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$2,000,000

County Type:

Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88

Total hourly compensation: \$12.51

Special Conditions: None

Modifications since preliminary approval? Yes

The total investment increased from \$4,182,917 to \$36,320,000. The eligible cost increased from \$3,185,417 to \$23,380,000. The jobs increased from 10 to 100. The average hourly wage (including benefits) increased from \$17 to \$20 and the negotiated tax incentive amount increased from \$200,000 to \$2,000,000. All other aspects of the project remain the same.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KBI REPORT - FINAL APPROVAL**

Date: September 27, 2018
Preliminary Approval: August 28, 2014
Approved Company: V-Soft Consulting Group, Inc.
City: Louisville **County:** Jefferson
Activity: Service & Technology **Final Resolution #:** KBI-F-18-20080
Bus. Dev. Contact: A. Bobbitt **DFS Staff:** M. Elder

Project Description: V-Soft Consulting Group, Inc., founded in 1997, is a minority, woman-owned business headquartered in Louisville with locations throughout the U.S. and India. The company expanded the Louisville location and increased its sales force in order to have a centralized location for additional technical personnel.

Anticipated Project Investment - Owned	Eligible Costs	Total Investment
	\$8,202,695	\$8,202,695

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target	Average Hourly Wage Target (Including Employee Benefits)	Annual Approved Cost Limitation
As of Activation Date	13	\$47.00	
1	68	\$47.00	\$150,000
2	90	\$47.00	\$150,000
3	105	\$47.00	\$150,000
4	105	\$47.00	\$150,000
5	105	\$47.00	\$150,000
6	105	\$47.00	\$150,000
7	105	\$47.00	\$150,000
8	105	\$47.00	\$150,000
9	105	\$47.00	\$150,000
10	105	\$47.00	\$150,000

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$1,500,000

County Type:
Other

Statutory Minimum Wage Requirements:

Base hourly wage: \$10.88
Total hourly compensation: \$12.51

Special Conditions:

Maintain Base Employment: 55

Modifications since preliminary approval?

The investment and eligible costs increased from \$206,250 to \$8,202,695. The jobs increased from 25 to 105. The Total Negotiated Tax Incentive Amount to be requested at final approval increased from \$200,000 to \$1,500,000. All other aspects of the project remain the same.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KRA REPORT - FINAL APPROVAL**

Date: September 27, 2018
Preliminary Approval: March 31, 2016
Approved Company: Saputo Dairy Foods (USA), LLC
City: Murray **County:** Calloway
Final Resolution #: KRA-F-18-20951
Bus. Dev. Contact: C. Peek **OFS Staff:** M. Elder

Project Description: Saputo Dairy Foods USA, LLC in Murray is one of the 3 largest Dairy Foods plants in the US by volume, manufacturing, packaging and distributing. A significant portion of the company's creamers, aerosol products, and single serve milk products are shipped throughout the country. The plant has been in operation since 1928. Considering its age, it is in satisfactory operating condition due to Saputo's commitment over the years to maintain and repair various components of its operation.

The project included the purchase of machinery and equipment as well as improvements and maintenance of its existing machinery and equipment.

Current number of full-time jobs at the project location:

299

Required number of full-time jobs to retain at the project location:

288

Preliminarily Approved Anticipated Costs

Equipment and Related Costs

Training Costs

TOTAL

Eligible Costs	Total Investment
\$3,562,500	\$7,125,000
\$0	\$0
\$3,562,500	\$7,125,000

Actual Costs Expended

Equipment and Related Costs

Training Costs

TOTAL

Eligible Costs	Total Investment
\$6,522,852	\$13,045,703
\$0	\$0
\$6,522,852	\$13,045,703

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$3,500,000

Modifications since preliminary approval? Yes - incorporated in above information

The retention rate for the jobs has been lowered from 95% to 90%. All other aspects of the project remain the same.

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY
KJRA REPORT - FINAL APPROVAL**

Date: September 27, 2018
Preliminary Approval: September 25, 2014
Approved Company: Haier US Appliances Solutions, Inc. dba GE Appliances
City: Louisville **County:** Jefferson
Activity: Manufacturing **Final Resolution #:** KJRA-F-18-20070
Bus. Dev. Contact: T. Sears **OCFAS Staff:** M. Elder

Project Description:

Haier US Appliances Solutions, Inc. dba GE Appliances is one of the world's leading designers, manufacturers, marketers, and sellers of major home appliances. Appliance Park opened in 1953 and today, consists of five manufacturing buildings each well over one million square feet devoted to the manufacture of home laundry products, dishwashers, refrigerators and high-efficiency water heaters.

GE Appliances began a program to reinvest in its manufacturing operations which represented a significant change from the business model of outsourcing significant volume to manufacturers in Latin America and Asia. GE Appliances is considering making additional investments in Appliance Park that would add new advanced manufacturing and research capabilities, allow for increased insourcing of components and products and help sustain current employment. Staying competitive in the appliances industry requires regular investment and a relentless focus on reducing costs through new technology and productivity gains.

TOTAL PROJECT COSTS

Maximum Recoverable Costs	Total Investment
\$138,500,000	\$277,000,000

NEGOTIATED TARGETS AND INCENTIVE AMOUNTS:

Year	Job Target (90% required)	Annual Approved Cost Limitation
As of Activation Date	5,263	
1	5,263	\$4,000,000
2	5,263	\$4,000,000
3	5,263	\$4,000,000
4	5,263	\$4,000,000
5	5,263	\$4,000,000
6	5,263	\$4,000,000
7	5,263	\$4,000,000
8	5,263	\$4,000,000
9	5,263	\$4,000,000
10	5,263	\$4,000,000

(Note: Current and anticipated jobs do not include variable and contract workers)

Average total hourly compensation for existing jobs: \$44.12

Anticipated average total hourly compensation for new jobs: \$26.00

TOTAL NEGOTIATED TAX INCENTIVE AMOUNT:

\$40,000,000

Modifications since preliminary approval? Yes

GE sold the Appliance Park to Haier US Appliance Solutions, Inc. d/b/a GE Appliances on June 6, 2017 and is requesting KEDFA's recognition of the sale and the assignment of the KJRA project to the new owner of the Appliance Park. GE Appliances is also requesting that the deadline to execute and deliver the Jobs Retention Agreement be extended to September 30, 2018 in accordance with the terms of the Memorandum of Agreement. All other aspects of the project remain the same.

Kentucky Small Business Tax Credit Projects September 2018

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying Equipment/ Technology	Tax Credit Amount
Callaway Pest Control, Inc.	Woodford	2	1	\$12.00	\$27,746	\$3,500
Commonwealth Eye Clinic, Inc.	Fayette	7	4	\$28.12	\$15,022	\$14,000
Cuddle Clones LLC	Jefferson	6	1	\$13.60	\$10,405	\$3,500
D. Thomas Compton, P.S.C.	Warren	9	2	\$21.50	\$24,999	\$7,000
Hatfield Media LLC	Jefferson	6	4	\$22.67	\$14,228	\$14,000
Laise Packaging, LLC	Jefferson	2	1	\$15.38	\$40,443	\$3,500
Lance S. Ferguson, M.D., P.S.C.	Fayette	26	5	\$17.72	\$34,011	\$17,500
Laswell Electric Company, Inc.	Jefferson	5	2	\$15.49	\$17,283	\$7,000
Midsouth Rentals, LLC	Daviess	15	6	\$22.35	\$54,000	\$21,000
Owensboro RV Incorporated	Daviess	15	5	\$32.40	\$59,234	\$17,500

Small Business	County	Beginning Employment	Eligible Positions	Average Hourly Wage	Qualifying	
					Equipment/ Technology	Tax Credit Amount
Please & Thank You, LLC	Jefferson	8	4	\$13.50	\$34,905	\$14,000
Polaris of Paducah, Inc.	McCracken	0	8	\$18.63	\$28,452	\$25,000
12	6		43	Total	\$360,728	\$147,500

Note: The tax credit amount will be equal to \$3,500 per eligible position, not to exceed the purchase price of qualifying equipment or technology, with a maximum income tax credit of \$25,000 per company for each calendar year. Per KRS 154.60-020, the maximum amount of credits that may be committed in each state fiscal year shall be capped at \$3,000,000.

Credit Limit	\$3,000,000
Current FY Projected/ Approved Credits	\$329,500
Remaining Credits	\$2,670,500